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tinguished publicists who are struggling to get their countrymen to see the evils of the situation and restore sound conditions.

The circumstances make it necessary, in the author's judgment, to offer his fellow citizens a treatise on the theory and history of paper money; but the portion of the book which may be regarded as peculiarly authoritative is, of course, that which relates to Chile, for the author is one of the leading advocates of monetary reform in his own country. The first issue of inconvertible money in Chile occurred in 1865, during the war with Spain, and consisted of inconvertible notes of the bank of Chile. Resumption was undertaken after the war, and Chile entered upon a period of bimetallism. By 1878 the falling value of silver had driven gold from circulation. The banking law of Chile, which our author tells us followed the liberal inspiration of Courcelle-Seneuil, who was at one time a professor of the University of Chile, fixed the maximum note issue at 150 per cent of the paid-up capital of the bank. Taking advantage of the needs of the government in 1878, the bank obtained the privilege of issuing its own notes in payment of public dues; in that same year the law authorized the issue of the notes without convertibility, and provided for forced circulation. This privilege was for one year, but appears to have been continued much longer. The law was modified from time to time so that there ensued in Chile typical instances of a paper money régime. Nevertheless, metallic money came into circulation in 1895, and the government undertook to put the money of the country on a sound basis. War and political causes prevented, and three or four years afterwards a run on the banks of the capital intensified the difficulties of the situation and led to an issue of government notes.

We find in Chile, according to the author, the usual evils of a paper money régime, fluctuating currency, unstable foreign exchange, with the coincident evils of inflated prices and injustice to the poor. Various attempts to put the money interests of the country on a sound basis seem to have been checked by "special interests" which, even more there than here, dominate public policy. The book is welcome as evidence of the activity in economics of our neighbors to the south.

DAVID KINLEY.

NEW BOOKS

BAYS, A. W. *Banks and banking; containing the text of the national bank act, with questions, problems and forms.* (Chicago: Callaghan & Co. 1913. Pp. 228.)

BORUSSICA, A. *Münzwesen.* Vol. IV. *Die letzten vierzig Jahre. 1765-1806.* (Berlin: Parey. 1913. Pp. ix, 645. 17 M.)

DAWSON, A. F. *The history of the first national bank in the United States.* (Chicago: Rand, McNally. 1913. Pp. 176.)

A history of the First National Bank of Davenport, Iowa, preceded by some account of banking under state laws.

EICHENSEER, K. *Die Bargeld ersparenden Zahlungsmethoden, welche durch die Reichsbank versucht worden sind.* (Würzburg: J. M. Richter. 1913. Pp. 86.)

ESSPINOZA, R. *La reforma bancaria i monétaria de Chile.* (Santiago: Imprenta Barcelona. 1913.)

FISHER, I. *The purchasing power of money.* Revised. (New York: Macmillan. 1913. Pp. xxiv, 502. \$2.25.)

According to the preface, the principal changes from the first edition are corrections of misprints, additional data for the equation of exchange with the insertion of the diagram familiar to readers of the REVIEW, and an appendix on "standardizing the dollar."

GINI, C. *L'equazione dello scambio e il potere di acquisto della moneta.* (Rome: Rivista Italiana di Sociologia. 1913. Pp. 16.)

In this pamphlet Professor Gini, the brilliant mathematical economist of the University of Cagliari, discusses some of the recent literature relating to the purchasing power of money, giving special attention to the work of Professor Irving Fisher. The "equation of exchange," Gini holds, is a mere statement of identity, and hence incapable of inductive verification. It no more proves that an increase in the quantity of money increases prices than that an increase in prices increases the supply of money. Fisher's argument to the contrary (*Purchasing Power of Money*, p. 170), begs the question by assuming, for argument's sake, that prices might be doubled without doubling the purchasing power of uncoined gold. Gini's discussion of Fisher's proposals for a "compensated dollar" largely consists of rather captious criticisms of minor points. Benini's recent discussion of the effect of the increased production of gold on prices (*Giornale degli Economisti*, Nov.-Dec., 1912) is also brought under review.

A. A. Y.

HAWKS, T. R. *The debt system alias the banking system and its natural elimination in some form of centralization.* (Chicago: T. R. Hawks. 1913. Pp. 96. 25c.)

HERRICK, M. T. *Rural credit.* (New York: Appleton. 1913. \$2.)

HULTMAN, I. *Die Centralnotenbanken Europas.* (Berlin: Bank-Verlag. 1913. 4.50 M.)

INNES, A. M. *What is money?* (New York: Banking Law Journ. 1913. Pp. 32. 25c.)

JOSEPH, L. *The evolution of German banking.* (London: Layton. 1913. Pp. 124. 3s. 6d.)

This book consists of four lectures delivered by the London

manager of the Swiss Bankverein at the London School of Economics and Political Science. The subjects treated are: the economic development of Germany since 1800; land banks, mortgage banks, coöperative societies, and savings banks; the Reichsbank, the Seehandlung, and the money market; and the big banks and their relation to commerce and industry. The aim of the book, to give a comprehensive view of the German banking system, is admirable, more admirable, perhaps, than the treatment of the subjects. The sketch of the economic development of Germany is unsystematic. Very little attempt is made to trace causal relationships. The account consists, in the main, of contrasts of conditions at various periods, often in statistical form. In the second lecture, land banks, rente banks, and land cultivating banks are dismissed with a few vague generalities, while mortgage banks are discussed with a wealth of technical details. The description of the organization and workings of the Reichsbank is probably more adequate than any other part of the book. Yet this is the feature of the German banking system most familiar to outsiders. The account of the Reichsbank is broken into abruptly by a short history of the Seehandlung and just as abruptly resumed. The description of the big banks is fairly good. However, the author might well have explained more in detail the relationship between the big banks and the various industrial ventures in which they are interested. The book concludes with five statistical tables. Table I gives the population, debts, and revenue of the German Empire and the states which compose it. Table II gives the capitalization, profits, and dividends of the companies engaged in 24 groups of industries. Table III gives the capital, reserves, and investments of the nine large Berlin banks. Tables IV and V give for 15 London banks and 9 Berlin banks, a statement of liabilities and assets analyzed on the basis of realizability. Some errors occur, e.g., on page 2 24,643 is said to be 17 per cent of 1,454,475, and on page 77 we are told that of an issue of £7,500,000 treasury bonds, £4,590,000 were issued in Germany and £3,060,000 in England. The book contains a great deal of information in a small compass. Perhaps it is ungracious to criticise a work which the author in his preface calls "a rough sketch."

JAMES D. MAGEE.

KAUFMANN, E. *La banque en France*. Translated from the German and brought down to date by A. S. SACKER. (Paris: Giard & Brière. 1913. 13.50 fr.)

This book, originally published in German, was reviewed in the March, 1912, number of this REVIEW (vol. II, p. 126). The translator has brought the statistics down to date, and has enriched the work with notes and appendices describing recent changes. In the appendix there is an analysis of the work of the *Commission extra-parlementaire pour la réforme bancaire*, authorized by decree of May 14, 1911.

KRAKAUER, V. *Ueber den gerechten Preis für Eisenbahnleistungen*. (Graz: Deutsche Vereinsdruckerei. 1913. Pp. 86.)

- LAMAS, D. *Reforma monetaria.* (Buenos-Aires: Compania Sud-americana de Billetes de Banco. 1913.)
- LAWSON, T. W. *High cost living.* (Scituate, Mass.: T. W. Lawson. 1913. Pp. 180, illus.)
- LEMCKE, E. *Die Entwicklung der Raiffeisen-Organisation in der Neuzeit.* (Karlsruhe: Braun. 1913. Pp. viii, 139. 3 M.)
- MACGREGOR, T. D. *Talks on thrift.* (New York: Bankers Pub. Co. 1913. Pp. 116.)
- MASSON-FORESTIER, L. *Les caisses de conversion et la réforme monétaire en Argentine et au Brésil.* (Paris: Giard & Brière. 1913. Pp. 240.)
Contains an account of monetary depreciation in Argentine and Brazil, its causes and remedies.
- MORAWITZ, K. *50 Jahre Geschichte einer Wiener Bank.* (Vienna: Heller. 1913. Pp. 80. 1.25 M.)
- MORSON, W. R. *The high cost of living and its remedy.* (Buffalo, N. Y.: Haussauer-Jones Prg. Co. 1913. Pp. 86. \$1.)
- NOGARO, B. and OUALID, W. *L'évolution du commerce du crédit et des transports depuis cent cinquante ans.* (Paris: Alcan. 1913. Pp. 444. 5 fr.)
To be reviewed.
- RATZKA-ERNST, C. *Welthandelsartikel und ihre Preise. Eine Studie zur Preisbewegung und Preisbildung. Der Zucker, der Kaffee, die Baumwolle.* (Leipzig: Duncker und Humblot. 1913. Pp. 244. 7 M.)
- ROBYNS, E. J. *Les chèques et virements postaux.* (Paris: Alcan. 1913.)
- SCOTT, W. A. *Money.* (Chicago: McClurg. 1913. Pp. 124. 50c.)
- SHIBLEY, G. H. *Stable money, new freedom, and safe banking provided for in the Democratic banking and currency bill, with three exceptions; a memorial.* (Washington: Gov. Pr. Off. 1913. Pp. 80.)
- SKEELS, I. *Cost and price; or the product and the market.* (Cleveland, O.: D. Gibson Co. 1913. Pp. 429. \$2.)
- STEINER, F. G. *Die Entwicklung des Mobilbankwesens in Oesterreich. Von den Anfängen bis zur Krise von 1873.* (Vienna: Konegen. 1913. 6.50 M.)
- SUNDHEIM, J. H. *The law of building and loan associations in Pennsylvania.* (Philadelphia: Smith-Edwards Co. 1913. Pp. 204. \$3.)
- SWOBODA, O. *Die Arbitrage in Wertpapieren, Wechseln, Münzen- und Edelmetallen.* (Berlin: Paschke. 1913. Pp. xx, 793. 18 M.)
- VINCEY, P. *Le prix de la viande à Paris.* (Paris: Dunod & Pinat. 1913. Pp. 152. 7.50 fr.)

- VON BERGEN, W. *The encyclopedia of rare coins, stamps, old books and paper money.* (Boston: W. Von Bergen. 1913. Pp. 272. \$1.)
- WESTON, J. *Dictionary of economic and banking terms.* (London: Pitman. 1913. 2s. 6d.)
- WEBB, M. DE P. *Advance India.* (London: King. 1913. 5s.)
- WILMERSDOERFFER, E. *Notenbanken und Papiergele im Königreich Italien seit 1861.* (Berlin: Cotta. 1913. 5 M.)
- Agricultural credit banks of the world; a review of the mortgage-loan and credit systems of foreign countries.* (New York: Banking Law Journ. 1913. Pp. 40. \$1.)
- The bankers encyclopedia ("purple book").* Thirty-eighth edition. (New York: Bankers Encyclopedia Co. 1913. Pp. 191.)
- Banking law of New York. Chapter 2 of the consolidated laws and chapter 10 of 1909, including all amendments of 1913, and with notes, annotations and references.* (New York: Banks Law Pub. Co. 1913. Pp. 310. \$8.)
- History of the Chemical Bank, 1823-1913.* (New York: Chemical Nat. Bank. 1913. Pp. 166.)
- How to organize and equip a modern bank.* (Indianapolis: U. S. Bank Note Co. 1913. Pp. 69. \$1.)
- Published by a firm engaged in furnishing bank supplies. It nevertheless contains a considerable amount of convenient information in regard to establishing a bank and methods of bank accounting.
- A practical school of banking.* Five volumes. (Detroit: Houghton-Jacobson. 1913.)
- Minutes of evidence of treasury committee on the mode of issuing the dollar in the east.* Cd. 6974. (London: Wyman. 1913. 6d.)
- Proceedings of the Academy of Political Science in New York.* Vol. IV, No. 1. (New York: Columbia University. 1913. Pp. iv, 239.)
- Contains verbatim report of papers and discussions at a conference held October 14-15 on the proposed currency bill. Papers were presented by Senator Owen, ex-Senator Aldrich, and Messrs. Hepburn, Vanderlip, Willis, Sprague, Johnson, and Kemmerer.
- Seizième congrès du crédit populaire (associations coopératives de crédit).* (Paris: Alcan. 1913.)

Public Finance, Taxation, and Tariff

- The Income Tax Law of 1913 Explained.* By GEORGE F. TUCKER. (Boston: Little, Brown, and Company. 1913. Pp. xi, 271. \$1.50.)
- A Treatise on the Federal Income Tax Law of 1913.* By THOMAS GOLD FROST. (Albany: Matthew Bender & Company. 1913. Pp. xii, 242.)